

Message Text

UNCLASSIFIED

PAGE 01 KHARTO 01000 100647Z

17

ACTION AGR-20

INFO OCT-01 AF-10 ISO-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SP-03 CIEP-02 LAB-06 SIL-01 OMB-01 DRC-01 /108 W

----- 102518

R 100620Z MAY 74

FM AMEMBASSY KHARTOUM

TO SECSTATE WASHDC 8100

UNCLAS KHARTOUM 1000

E.O. 11652: N/A

TAGS: EAGR, SU

SUBJ: PRELIMINARY COTTON REPORT

REF: KHARTOUM 0715

1. SUMMARY: SEMI-FINAL FIGURES INDICATE SUDANESE COTTON PRODUCTION HAS RECOVERED WELL FROM POOR SEASON IN 1972/73. PRICES OFFERED BY FREE CURRENCY COUNTRIES ON FIRST TENDER WERE DISAPPOINTING TO GOS, HOWEVER, AND RESULTED IN MAJORITY OF SALES GOING TO PAYMENT AGREEMENT ACCOUNTS. END SUMMARY.

2. SEMI-FINAL PRODUCTION FIGURES, INCLUDING ALL BUT SOME SMALL SCHEMES, INDICATE TOTAL 1973,74 COTTON PRODUCTION OF 1.1 MILLION BALES VS. 970,000 ON SAME SCHEMES LAST YEAR. MAJOR INCREASE IS IN LONG STAPLE FROM GEZIRA(MANAGIL WHERE TOTALS ARE 730,000 BALES VS. 583,000 LAST YEAR. OTHER SCHEMES ALSO UP IN LESSER AMOUNTS. ONLY EXCEPTION IS AGRARIAN REFORM CORP, SERIES OF SCHEMES NATIONALIZED 1968 WHERE CONTINUING ADMINISTRATIVE AND SOME IRRIGATION PROBLEMS RESULTED IN DECREASE OF 24,000 BALES TO 225,000. WHEN FINAL FIGURES AVAILABLE TOTAL PRODUCTION ALMOST CERTAIN BE BELOW RECORD YEARS OF 1969,70 (1.29 MILLION BALES) AND 1970/71 (1.28 MILLION BALES), BUT YIELDS HAVE BEEN EXCELLENT WITH GEZIRA-MANAGIL FOR EXAMPLE UP FROM 4.0 TO 5.0 KANTERS PER FADDAN. YIELDS PARTICULARLY IMPRESSIVE IN VIEW DIFFICULTIES WITH SPRAYING EARLY IN SEASON AND FUEL SHORTAGE PROBLEMS

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 KHARTO 01000 100647Z

THROUGHOUT. SOME OF CREDIT GOES TO GOOD WEATHER, BUT GOVERNMENT

ACTIONS ALSO PLAYED MAJOR ROLE. INCENTIVE FOR TENANTS WAS INCREASED BY DECISION LAST YEAR TO PASS ON TO THEM SUBSTANTIAL PORTION OF WINDFALL PROFITS FROM HIGH WORLD PRICES. EQUALLY IMPORTANT, GEZIRA BOARD APPEARS HAVE DONE FAR BETTER JOB IN ORGANIZING PICKERS, THUS OVERCOMING MAJOR HANDICAP OF PAST FEW SEASONS.

4. SOMEWHAT CLOUDING THIS ROSY PICTURE HAVE BEEN RESULTS OF FIRST TENDER CALL (REFTEL). DEMAND WAS HIGH, BUT PRICES OFFERED BY FREE CURRENCY COUNTRIES--WHERE GOS HOPES TO MAKE MAJORITY OF SALES--WERE DISAPPOINTING, AVERAGING ONLY 76 CENTS PER POUND OR ABOUT SAME AS END LAST SEASON. PAYMENT AGREEMENT COUNTRIES ON OTHER HAND OFFERED AVERAGE \$1.10 WHICH WAS APPARENTLY MORE WHAT GOS HAD ANTICIPATED. GOS UNDERSTANDABLY TOOK CONSIDRABLE TIME IN REACHING DECISION ON WHERE TO MAKE SALES--I.E. WHETHER TO TAKE MUCH NEEDED HARD CURRENCY OR FAR BETTER PRICES FROM SECOND PRIORITY MARKETS. HIGH PRICES FINALLY WON OUT AND 80 PERCENT OF QUANTITY OFFERED WENT TO PAYMENT AGREEMENT COUNTRIES. WITH GOS DEPENDENT ON COTTON TO EARN VITALLY NEEDED HARD CURRENCY, THIS IS SITUATION WHICH CANNOT CONTINUE THROUGHOUT MARKETING SEASON. NEXT TIME HARD CURRENCY OFFERS EVEN AT LOWER PRICES MAY PREVAIL. ON OTHER HAND, GOS UNDOUBTEDLY HOPES ITS DECISION REJECT HARD CURRENCY OFFERS ON THIS OCCASION WILL RESULT IN HIGHER BIDS NEXT TIME.
SANDERSON

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COTTON, PROFITS, PRODUCTION DATA, EXPORT PRICES, PROPOSALS (BID)
Control Number: n/a
Copy: SINGLE
Draft Date: 10 MAY 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974KHARTO001000
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740114-0339
From: KHARTOUM
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740558/aaaabzpr.tel
Line Count: 86
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AGR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: KHARTOUM 0715
Review Action: RELEASED, APPROVED
Review Authority: cunninfx
Review Comment: n/a
Review Content Flags:
Review Date: 31 OCT 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <31 OCT 2002 by shawdg>; APPROVED <07 JAN 2003 by cunninfx>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRELIMINARY COTTON REPORT
TAGS: EAGR, SU
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005